

## SENATE BILL No. 180

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 9-23-3-15.

**Synopsis:** Warranty repair and sales audit limitation. Provides that a vehicle manufacturer or distributor may audit or charge back certain claims made by a dealer: (1) for up to two years after the claim is paid; or (2) at any time in cases of fraud. Provides that a manufacturer or distributor may not discriminate among dealers when auditing or charging back claims.

**Effective:** July 1, 2007.

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### Weatherwax

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January 8, 2007, read first time and referred to Committee on Commerce, Public Policy & Interstate Cooperation.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 180

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 9-23-3-15 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) It is an unfair  
3 practice for a manufacturer or distributor to:

4 (1) fail to pay all claims made by dealers for compensation for  
5 delivery and preparation work and warranty work within thirty

6 (30) days after approval;

7 (2) fail to approve or disapprove the claims within thirty (30) days  
8 after receipt; or

9 (3) disapprove a claim without notice to the dealer in writing of  
10 the grounds for disapproval.

11 (b) A manufacturer or distributor may:

12 (1) audit claims made by a dealer; or

13 (2) charge back to a dealer any amounts paid on false or  
14 unsubstantiated claims;

15 for up to two (2) years after the date on which a claim is paid.

16 However, the limitations of this subsection do not apply if the  
17 manufacturer or distributor can prove fraud on a claim. A

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- 1 **manufacturer or distributor shall not discriminate among dealers**
- 2 **with regard to auditing or charging back claims.**

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